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INFORMATION REPORT

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1. The Hungarian Restitution Mission in Vienna was originally delegated by the foreign section of the Hungarian Finance Ministry to investigate Hungarian property taken out of Hungary during the war, and to arrange for its return. This task has on the whole been accomplished, at least in the Russian zone. In consequence, the Finance Ministry decided to provide the Mission with other tasks to justify its existence in Austria. The Mission was therefore given the task of administering and supervising the sales of property owned by Hungarian residents in Austria, and was also put in charge of Hungarian tanker salvage groups operating on the Danube.
2. Meszhart is a joint stock company, 50% of the shares being held by the Soviets and 50% by the Hungarian government. In Vienna, neither Meszhart nor the Restitution Mission is subordinate to the other; nevertheless, Elemer Banky,² chief of the Restitution Mission, has on several occasions tried to interfere in Meszhart affairs. Meszhart has always resisted such attempts. Although the personnel of Meszhart come under the Hungarian Legation for administration purposes, they receive their orders directly from the Soviet directorate general in Budapest. Only in one case did the Restitution Mission take a firm hand in Meszhart affairs; this was when Banky arranged for Meszhart to be officially registered in Vienna.³ On that occasion, Banky was instructed by the Finance Ministry to act as intermediary between Meszhart and the Austrian government.
3. The salvage group which is an independent organization is authorized to use the Meszhart warehouses; thus, a consignment of scrap metal was recently stored by the salvage group on Meszhart premises. This particular consignment was paid for by the Restitution Mission through Meszhart, which, however, strongly objected to being drawn into the matter. The case has become the subject of legal proceedings. As far as can be ascertained no further scrap metal transactions are likely to take place.

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